DEPARTMENT OF STATE A/CDCYME ACTION EOPY partment of Stateenument TS AUTH. REASON(S) ENDORSE EXISTING MARKINGS DECLASSIFIED RELEASABLE CONFIDENTIAL RELEASE DENT TO Action PA or FOI EXAMPATONS Control: August 12 = 1961 Rec'd: 6:02 P.M. EUR FROM Moscow Info TO: Secretary of State SS G NO: 508, August 12, 5 P.M. SP SA L ACTION DEPARTMENT 508, INFORMATION PARIS 119, LONDON 92, Н BONN 72, ROME 25, BERLIN 47 SB SO Khrushchev speech at Soviet-Rumanian Friendship Rally August 11 ARA appears one more turn of screw in gradually mounting double-ത FE -barrelled campaign, aimed at increasing support among Soviet N NEA people for hard line and at convincing outside world (and IO 00 NATO European members in particular) USSR means business. D Speech adds nothing of substance to Soviet position on Berlin US IA NSC and Germany, although one formulation may become one of main INR themes in further conduct campaign: "There now exist two N CIA German states and attempt to make them one by war is doomed to NSA failure" (thus implying Western defense plans are in fact dir-OSD ected towards reunification by force). As counterpoint to ARMY strong emphasis upon Soviet resolve change existing status NAVY West Berlin, Khrushchev made more emphatic statement than has AIR been recently heard here of Soviet readiness provide guarantees, not only to West Berlin population but also to interested Western RMR powers of free access to city on basis "existing international practice and international law" and of non-interference in West Berlin internal affairs. COPY Khrushchev's desire produce measured and controlled domestic popular reaction, while carefully avoiding war hysteria, clear in passage regarding decision of Central Committee and government on defense-plant workers "spontaneous" requests increase work--day from seven to eight hours. Decision make use of these offers only "depending on situation" (while not of course excluding REPRODUCTION FROM THIS COPY IS This copy must be returned to REST CONTENTIAL THOS WITH ASSETTION WITH ASSETTION ASSIGNED TO

9/10

CONFIDENTIAL

-2- 508, August 12, 5 P.M. from Moscow

excluding secret orders actually increase working hours at selected plants. Should indicate to many Soviet citizens situation, while serious, is not yet grave.

Most significant parts speech for present tactical duration are those directed towards Italy, Greece and Germany, threat- ening complete destruction those and other European NATO countries if war should break out. Like conversations with McCloy, Fanfani, Argentine, Greek, and other Western Ambassadors these passages clearly reflect Soviet decision use propaganda of terrorization or order soften up European NATO members.

Speech contains two oblique attacks on Chinese Communists: Emphasis on importance not being isolated and ridicule of "Red-Army attack" approach to economic affairs. The references tend to underline other passages on necessity peaceful coexistence and thus express implicit Soviet rejection Chinese Communist theoretical approach on role of war in expanding Communism.

McSweeney

MJA-4

